



# Appropriations Update

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## FISCAL YEAR 2006 MILITARY QUALITY OF LIFE, VETERANS AFFAIRS, AND RELATED AGENCIES APPROPRIATIONS BILL – H.R. 2528

### SUMMARY

The Military Quality of Life, Veterans Affairs, and Related Agencies appropriations bill reported to the House on 23 May 2005 (H.R. 2419; H.Rept. 109-95) provides new budget authority equaling the 302(b) suballocation to the Appropriations subcommittee of the same name. The bill is consistent with the appropriate levels in the conference agreement on the fiscal year 2006 budget resolution (H. Con. Res. 95), and hence complies with the applicable provisions of the Congressional Budget Act. It also

complies with provisions of the budget resolution, such as those governing advance appropriations and emergency designations.

This is the fourth of 11 appropriations bills for the fiscal year beginning 1 October 2005. The measure combines military construction and veterans benefits and health care – previously in separate bills – under the reconstituted jurisdictions of the Appropriations subcommittees.

### COST OF THE LEGISLATION

The bill provides \$85.158 billion in new budget authority [BA], and \$81.634 billion in outlays for 2006. Compared with fiscal year 2005, these levels reflect increases of \$5.199 billion, or 6.5 percent, in BA, and \$5.361 billion in outlays. The committee bill is above the President's budget request by \$1.009 billion in budget authority, and \$304 million in outlays.

As noted, BA provided by the bill is equal to the 302(b) suballocation to the Subcommittee on Military Quality of Life, Veterans Affairs, and Related Agencies; outlays also are equal to the suballocation (see Table 1 below). The bill does not include administration proposals to increase co-pays and deductibles for veterans health care, and contains no other new offsets (beyond existing law) to augment BA.

**Table 1: Military Quality of Life, Veterans Affairs, and Related Agencies Appropriations Bill**  
(fiscal years; millions of dollars)

	2005 Spending <sup>a</sup>	Administration 2006	302 (b) for 2006	Bill
Budget Authority	79,959	84,435	85,158	85,158
Outlays	76,273	81,330	81,634	81,634

<sup>a</sup> Excludes emergency-designated appropriations.

### COMPLIANCE WITH THE BUDGET RESOLUTION

As noted above, the bill complies with provisions of the Congressional Budget Act because it is consistent with the appropriate levels in the budget resolution. It contains no

advance appropriations or emergency-designated spending, the use of which are governed by the budget resolution – and hence also complies with H.Con.Res. 95.

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This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of all the committee's members.

**Table 2: Discretionary Spending in the Military Quality of Life, Veterans Affairs, and Related Agencies Appropriations Bill<sup>a</sup>**  
(in millions of dollars)

	2005 Budget Authority	2005 Outlays	2006 Budget Authority	2006 Outlays	Difference BA	Difference Outlays
Department of Defense .....	49,192	46,011	53,516	50,563	4,324	4,552
<i>Military Personnel</i> .....	12,669	12,393	13,273	13,171	604	778
<i>Operations and Maintenance</i> .....	26,518	23,225	27,980	26,856	1,462	3,631
<i>Military Construction</i> .....	5,950	6,475	8,061	6,800	2,111	325
<i>Family Housing</i> .....	4,055	3,918	4,202	3,736	147	-182
Veterans Affairs Medical Programs .....	27,979	27,817	30,991	30,666	3,012	2,849
Other Dept of Veterans Affairs .....	2,627	2,277	496	244	-2,131	-2,033
Other .....	161	168	155	161	-6	-7
<b>Total .....</b>	<b>79,959</b>	<b>76,273</b>	<b>85,158</b>	<b>81,634</b>	<b>5,199</b>	<b>5,361</b>

<sup>a</sup> The Congressional Budget Office has recast amounts in the fiscal year 2005 appropriations bills to align with the components of the restructured 2006 appropriations, making the comparison above possible.

## DISCUSSION

The bill provides \$53.5 billion in discretionary BA to the Department of Defense [DoD], an increase of \$4.3 billion in BA from the 2005 enacted level (see Table 2 above). This amount is \$549 million above the administration request. Within the department, the largest increase in BA from the 2005 level by 35 percent is for Military Construction.

The bill also provides \$31.5 billion in discretionary BA to the Department of Veterans Affairs [VA], an increase of \$881 million from 2005 levels. A 10.8-percent increase in VA Medical Programs (\$3.0 billion) is partly offset by a \$2.1-billion reduction in other VA spending (principally administration). Noteworthy provisions in the measure include the following (under Congressional Budget Office estimates and categories, which may differ from those of the Appropriations Committee):

- *Defense Health Program* – The bill provides an increase of \$1.8 billion (10 percent) over the 2005 enacted level for the worldwide medical and dental services of the Defense Health Program. This amount is \$192 million above the request.
- *Military Construction* – A sum of \$8.1 billion is provided for the Department of Defense’s Military

Construction accounts. This significant increase over the 2005 enacted level (35 percent, or \$2.1 billion) occurs largely because the measure includes \$1.6 billion to facilitate the Base Realignment and Closure process. The increase is only slightly larger than the administration’s request (\$187 million above).

- *Veterans Medical Services* – The bill provides net Federal spending of \$21.0 billion for veterans medical services, an increase of \$745 million above the administration’s request, and \$1.1 billion (6 percent) over the 2005 enacted level.
- *Medical Care Cost Recovery* – The bill assumes offsetting collections of \$2.2 billion, as already provided under existing law for copayments and other fees. These amounts are subtracted from the figures for medical services given above. As noted, the bill contains no other new offsetting collections.
- *Mental Health* – The bill as reported calls for the Department of Veterans Affairs to dedicate at least 20 percent of its research budget to mental health diagnosis and treatment. This represents a significant increase from the current level of 7 percent.

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